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Withdrawn before hearing  
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IN THE MATTER OF the Public  
Inquiries Act, R.S.O, 1960,  
Chapter 323;

AND IN THE MATTER OF an Inquiry  
into the Workmen's Compensation  
Act, R.S.O. 1960, Chapter 437.

Submissions and recommendations by the Canadian  
Association of Professional Safetymen to the  
Honourable Mr. Justice McGillivray, Commissioner  
of the Royal Commission on the Workmen's  
Compensation Act.

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This brief is submitted by the Canadian Association of Professional Safety men which was established during February, 1966, for the purpose of providing assistance to persons who are in any way concerned with accident prevention in the Province of Ontario. It is also the object of this Association to submit recommendations to any authority or agency which deals with the matter of accident prevention. The Association is composed of persons who have been or are presently engaged in various occupations which are directly related to this matter. These persons have between six to seventeen years practical experience in accident prevention including experience in the investigation and implementation of safe working conditions and other related matters. The Association is pleased to present to the Commissioner its submissions and recommendations relating to accident prevention and the Workmen's Compensation Act.

1. Comparison of Employer Financial Contribution Schemes Under the Workmen's Compensation Systems in Canada and The United States of America:

It has been estimated that each year, accidents in Canada have resulted in approximately 10,000 deaths and several thousand injuries leading to loss of time from regular employment. In addition, these accidents have cost the Canadian economy approximately \$4,000,000,000.00.

On the other hand, in the United States of America,





the cost to the economy resulting from accidents is approximately \$18,000,000,000.00 each year. Although these amounts are considerable, nevertheless, the United States of America with a population ten times larger than that of Canada, incurs a financial loss of only four and one-half times the amount of Canada's loss. We therefore submit that it is necessary to look to the Workmen's Compensation program in the United States in order to better understand the Canadian situation in its present perspective.

Most of the Workmen's Compensation Boards in the United States are not concerned with the collection of contributions by employers to an Accident Fund. Generally speaking, employers are required by law to provide occupational accident insurance for their employees and the State Compensation Boards are given the power of establishing minimum requirements for this protection. It is therefore left to the employer and an insurance company to agree upon a rate to be charged for this protection. Because of the element of competitive bargaining between the employer and the insurance company, there is an incentive for the employer to maintain a low accident rate and to provide the maximum in safe working conditions, so as to obtain lower premium rates.

In Canada, each of the Provinces has a Workmen's Compensation Act based upon the principle of "collective or





mutual liability". Under this system, industries are divided into classes according to their particular degrees of risk and the employers in each group are collectively liable for the payment of compensation to the workmen employed in the industries of that group. The employers are required to contribute to an Accident Fund which is administered by the Workmen's Compensation Board and it is from this Fund that injured workmen are paid compensation. The amount of the annual contributions to be made by an employer is determined as a per cent of the wages paid by the employer during the year.

It is submitted that under the "collective or mutual liability system", there is very little, if any, incentive to the individual employer to take steps to achieve maximum safety of working conditions. The following hypothetical situation involving two companies in the same class, is illustrative:

|           | <u>PAYROLL<br/>FOR 1965</u> | <u>CONTRIBUTIONS TO<br/>ACCIDENT FUND OF<br/>WORKMEN'S COMPENSA-<br/>TION BOARD FOR 1965</u> | <u>PAYMENTS BY WORKMEN'S<br/>COMPENSATION BOARD TO<br/>WORKMEN EMPLOYED BY<br/>COMPANY DURING 1965</u> |
|-----------|-----------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| A Company | \$1,000,000.00              | \$200,000.00                                                                                 | \$ 80,000.00                                                                                           |
| B Company | 1,000,000.00                | 200,000.00                                                                                   | 210,000.00                                                                                             |
|           |                             | <u>DIFFERENCE BETWEEN CONTRIBUTIONS<br/>AND PAYMENTS TO WORKMEN</u>                          | <u>ADDITIONAL PREMIUMS<br/>OR REBATE OF PREMIUM<br/>TO COMPANY</u>                                     |
| A Company |                             | \$ 120,000.00 (Credit)                                                                       | Nil                                                                                                    |
| B Company |                             | 10,000.00 (Debit)                                                                            | Nil                                                                                                    |



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Let us assume that the reason for less payments being made by the Board to injured workmen of A Company is due to the fact that this company has expended more money on safety than B Company. As a result, the accident rate of A Company is substantially less than that of B Company. For example, A Company spends a portion of the funds which it has set aside for safety on the following:

- (a) Lumber for guard rails; additional scaffold, planks; safety belts; respirators; hard hats; safety eye glasses and goggles; and numerous other safety appliances and safeguards.
- (b) Employment of experienced persons as safety men.
- (c) Educating workmen in the matter of safety including demonstrations by experienced safety men at the place of employment.
- (d) Providing accommodation and incidental expenses for persons required to travel in order to participate in safety educational programs.

Under the collective liability system as it exists in Ontario and in most other Provinces, even though A Company has reduced its accident rate, it would not be entitled to a rebate or credit of a portion of its annual contributions to the Accident Fund. On the other hand, B Company which has spent substantially less on improving working conditions and





thus a higher accident rate, will ultimately derive certain financial advantage because of A Company's active participation in an accident prevention program.

Thus, it can be seen that there is little incentive to an employer to engage in an accident prevention program. The Association does not necessarily advocate the complete removal of the "collective liability" system in Ontario. It does, however, recommend that the present system be modified so as to provide an incentive to the employer to adopt further precautions in order to prevent occupational accidents.

In the Province of Alberta, the employer contribution plan is based upon the principle of "collective liability", but in addition certain incentives are provided to employers who create safer working conditions resulting in lower accident rates. If the above hypothetical situation existed in the Province of Alberta, the Workmen's Compensation Board would direct that A Company be given a rebate based on a certain percentage of the Company's contributions to the Accident Fund, provided that the Board was satisfied that the Company had implemented safety measures designed to reduce the number of accidents. This of course has the practical effect of making it financially unwise for a company to completely ignore accident prevention measures.





In Ontario, some provision is made for employers of a class to vote in favour of being placed on an incentive payment plan which does provide for small rebates of contributions made to the Accident Fund. However, it is submitted that the amount of such rebate is unrealistic and insufficient by itself to induce employers to invest substantial funds for safer working conditions.

We therefore recommend that the Workmen's Compensation plan in Alberta and the United States be carefully considered with a view towards possible changes in Ontario Workmen's Compensation legislation which would bring about a reduction in the number of occupational accidents. We specifically recommend that a committee be established to investigate the lack of financial incentive for employers to adopt accident prevention programs under the present Act. We further recommend that a study be made of the feasibility of continuing any existing incentive payment plan on an optional basis. We are of the opinion that if a realistic and compulsory incentive plan is incorporated into the Act, the following advantages would result:

- (i) Increased participation by employers in accident prevention programs;
- (ii) Reduction in the number of occupational accidents and deaths;





- (iii) More skilled workmen available to industry by reason of their being fewer employees unable to work due to occupational accidents. This would also reduce the necessity of expending large sums of money to import skilled workmen from other countries;
- (iv) Reduction in the quantity of wasted material and equipment.

2. Availability of Information and Statistics Pertaining to Occupational Accidents:

It is certainly in the common interest of the Board, the employers and the employees alike, that the number of accidents be reduced and that the amounts paid out of the Accident Fund be kept to a minimum. Safetymen engaged in accident prevention would be greatly assisted in their endeavours if the Board made available to them information and statistics pertaining to accidents and in particular, the following:

- (a) Actual causes of accidents;
- (b) Parts of the body which are generally injured as a result of such accidents;
- (c) Occupations of the injured persons;
- (d) Nature of the equipment or tools used by the workman at the time of such accidents;





(e) Nature of the material being used by the workman at the time of such accidents.

If such information and statistics were made readily available by the Board to safetymen, the latter would be able to ascertain certain common features which exist in particular types of accidents thereby expediting the application of preventative measures.

The Board's yearly Report contains certain data based on the previous year's experience but this is usually a financial interest only and does little to assist or promote the discovery and implementation of safety control measures. On rare occasions such as in 1960, the Board's Report has contained data which is useful to safetymen but for the most part, their statistical needs have been largely ignored.

It is our understanding that it has been the Board's practice to request from the safety branches of municipalities and the Department of Labour, copies of Orders issued by Safety Inspectors to employers who have neglected to abide by certain safety rules and regulations. This information might be extremely useful to the Board in administering any proposed merit rating or incentive payment program for employers under the Workmen's Compensation legislation. It has been the experience of some of the officers and directors of the Association that municipalities in many instances, have been unwilling





to co-operate with the Board in this regard. We therefore recommend that the safety branches of municipalities and the Department of Labour be required to provide the Board with detailed reports of accidents and unsafe working conditions which they have investigated. With the availability of modern data processing equipment, this information could be conveniently recorded and categorized by the Board and be made available to persons engaged in accident prevention. We also recommend that a committee of safety specialists be formed for the purpose of examining the Board's method of reporting and recording accidents with a view to achieving a fuller disclosure of helpful information for those engaged in accident control and prevention research.

### 3. Safety Associations:

Assuming that an employer is willing to establish some sort of accident prevention program, there must be made available, sources of information where employers have access to the most efficient techniques of accident prevention at a minimum of cost. At present, in Ontario, there are employers associations known as "Accident Prevention Associations" or "Safety Associations". These Associations are organized under the authority of the Workmen's Compensation Act and they operate on funds received from the Board. One example of this type of Association is the "Industrial Accident Prevention





Association". The Boards of Directors of these Associations are made up of persons from management and in many cases, they lack practical experience in accident prevention. Accordingly, the Directors do not fully appreciate many of the inherent problems in this field. Each Board of Directors will usually employ a full-time manager, it being the responsibility of this person to formulate the policies and rules of safe work practices of his particular Association. It has been our experience that many Association Managers also lack actual field experience in accident prevention, yet Directors usually ratify the Manager's policies and safety rules without question.

The Associations receive from the Board approximately \$4,000,000,000.00 each year for the purpose of financing their activities and programs. We are of the opinion that these funds have not been utilized in the most advantageous manner. The following are only some of the areas in which Associations must improve if they are to be of any assistance to employers in the promotion and implementation of effective accident prevention programs:

- (a) Since the policies of these Associations are directed towards the improvement of existing working conditions, then only persons who possess first-hand knowledge





of these problems should be Association Directors.

- (b) Association Managers and their staff, including inspectors, often are not qualified to deal with the problems of accident prevention. For example, it is not uncommon to find in construction Associations, personnel who are former hockey referees and salesmen and who have never had any previous practical experience in this particular industry. We submit that a person cannot purport to be a "safety specialist" and recommend sound policy and effective safety measures unless he has been exposed to the environment from which these problems arise.
- (c) During the past two or three years, the Construction Safety Association of Ontario has experienced a continuous changeover of personnel. This situation is obviously not conducive to the establishment of meaningful policies and rules in respect of accident prevention.





(d) The Associations have expended large sums of money for television broadcasting which has little direct impact on the employers or the employees. We understand for example, that the Construction Safety Association alone, spends approximately \$750,000.00 each year in this regard. We are of the opinion that this form of safety education does not always achieve results sufficient to justify the large quantity of funds presently being expended. An employee, while watching television at his home, may receive a message from an Association as follows: "Be a professional at work - work safely". Notwithstanding the good intentions of a message of this nature, the employee may be unable to "work safely" if his employer has no regard for safe working conditions. The workman has no control over the employer's acquisition of essential safety devices and television broadcasting provides little inducement in this regard.

We recommend that these funds could be used to greater advantage by employing teams of safety men whose function it would be to





attend at the various places of employment and assist in the safety education programs.

- (e) The visual aid process of educating workmen is used further by the Associations in the form of large posters with messages such as "Do it safe, the life you save may be your own". Unfortunately, these signs have little impact. Instead of meaningless catch words and phrases, it is submitted that visual aids should convey specialized safety information which can be put to practical use by the employees. For example, a carpenter in the process of constructing a ladder will want to know the proper safety specifications relative to strength and dimension. A labourer involved in the rigging of a scaffold will be concerned with the proper size of lumber insuring adequate support for all persons who might be using the scaffold. A machinist will want to know the proper manner in which to ground the various machines used by him in order to avoid electric shock. Visual aids are only as effective as the message which their content conveys to each employee. Repetition of visual aids achieves very little if factors of aptness,





originality and relevancy are ignored in each different employment situation.

- (f) The educational courses offered by the Associations stress mainly the theoretical rather than the practical aspects of accident prevention. Since the object of these courses is to educate the workmen, we submit that the adoption of the practical approach would produce better results. It would also mean that the employee, while performing his work, would be able to apply what he has been taught.
- (g) The sources being relied upon by the Associations for assistance in establishing safety programs have been unable to suggest measures of proven effectiveness.
- (h) We submit that one of the reasons the Associations have had little success, is because of their general lack of efficiency and coordination. Since the Board provides the Associations with the necessary funds to enable them to operate, we recommend that the Board be given greater powers of supervision and control over their operations.





4. Summary of Recommendations:

- (a) Establishment of a committee to study the Alberta system of employers' incentives;
- (b) Adoption of a compulsory incentive payment plan for contributing employers;
- (c) Provision by the Board of statistics and information to assist or promote the discovery and implementation of safety control measures;
- (d) Investigation into policies, organization, operations, personnel, finances and programs of Safety Associations organized under the authority of the Workmen's Compensation Act.

5. In conclusion, it is highly recommended that all safety personnel employed by the Board or the Safety Associations have as a minimum, the following experience:

- (i) A minimum period of five years in the direct control of physical surroundings in which, if left unattended, an occupational accident might occur.
- (ii) A minimum period of one year engaged in the development of creating maximum safe working conditions through the application of engineered, controlled techniques.





(iii) A minimum period of one year in the application of technical and psychological methods or techniques in changing unsafe working habits of employees.

(iv) Completed a course in accident control.

All of which is respectfully submitted.

CANADIAN ASSOCIATION OF PROFESSIONAL SAFETYMEN

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August 26th, 1966

